

Holt, Renfrew
& COMPANY LIMITED

Annual Report
January Thirty-first
Nineteen - Forty

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HOLT, RENFREW & COMPANY LIMITED

HEAD OFFICE: MONTREAL

DIRECTORS

SIR HERBERT S. HOLT

THE HON. D. O. L'ESPERANCE

R. G. LIDDY

R. B. LINDSAY

JOHN G. McCONNELL

W. H. McWILLIAMS

THE RT. HON. ARTHUR MEIGHEN, K.C., P.C.

A. J. WALKER

THE HON. LORNE C. WEBSTER

OFFICERS

THE HON. LORNE C. WEBSTER, *President*

A. J. WALKER, *Vice-President and Managing Director*

R. G. LIDDY, *Secretary-Treasurer*

Branches:

QUEBEC - MONTREAL - TORONTO - WINNIPEG

ANNUAL REPORT — JANUARY 31, 1940

REPORT OF THE PRESIDENT AND DIRECTORS SUBMITTED
TO THE ANNUAL MEETING OF THE SHAREHOLDERS
TO BE HELD ON

THURSDAY, MARCH 28, 1940

To the Shareholders of Holt, Renfrew & Company Limited

Your Directors submit herewith the Annual Report and Financial Statement of your Company covering its operations for the year ending January 31st, 1940, as audited and certified by Messrs. Price, Waterhouse & Company.

Profit from operations for the year under review after deducting Selling, General and Administration Expenses, but before making provision for Depreciation, Income Tax, Mortgage and other interest, amounts to \$150,380.40.

Depreciation of \$10,000. has been taken on Buildings and our policy of keeping our Properties, Furniture, Fixtures and Delivery Equipment in good condition has been continued.

Provision for Federal and Provincial taxation of \$15,000. has been made.

The Surplus has been increased by \$63,678.79.

Stocks of Merchandise are in splendid condition and have been conservatively valued. Accounts Receivable have been carefully examined and proper allowance made to provide against any probable loss.

Sales for the year have shown a further material increase and the working capital of the Company has also improved.

The loyal and efficient service rendered by the staff and employees during the year is appreciated by the Directors.

Respectfully submitted on behalf of the Board.

LORNE C. WEBSTER,
President.

HOLT, RENFREW & BALANCE SHEET, J

Assets

CAPITAL ASSETS:

Land and Buildings.....	\$1,176,141.15	1,176,141.15
Shop Furniture and Fixtures, Automobiles, etc., less depre- ciation.....	139,314.90	
	<u>\$1,315,456.05</u>	

NOTE:—Under date of January 31, 1940
Canadian Appraisal Co., Limited, valued
the properties at a depreciated value of
\$1,497,029.75.

Goodwill.....	772,453.79	772,453.79
	<u> </u>	\$2,087,909.84

CURRENT ASSETS:

Inventories of Skins, Manufac- tured Furs, etc., as valued by the Management at or below cost.....	\$ 752,743.62	752,743.62
Trade Accounts Receivable, less Reserve.....	518,527.07	724,866.06 app
Other Accounts Receivable.....	28,919.63	
Cash on hand and on deposit....	29,121.58	36,157.48
Cash Deposit with Fire Insur- ance Underwriters.....	58,416.47	60,240.57
	<u> </u>	1,387,728.37

INVESTMENT in and advance
to Huron Manufacturing Co.
Ltd.....

200,752.60
30,800.00 app 60,800.75 5235.30

DEFERRED CHARGES:

Taxes, Insurance and Expenses paid in advance.....	\$ 21,004.08	
Alterations to leased premises...	30,279.19	32,037.48
	<u> </u>	51,283.27
		<u><u>\$3,587,722.23</u></u>

Approved on behalf of the Board:

A. J. WALKER, *Director.*

R. G. LIDDY, *Director.*

COMPANY, LIMITED
ANUARY 31st, 1940

Liabilities

CAPITAL STOCK:

Seven Per Cent. Cumulative Preferred—Authorized and Issued:
10,000 shares of \$100.00 each... \$1,000,000.00 1000 000

NOTE:—PREFERRED DIVIDEND PAID
TO DECEMBER 31, 1932.

Common:

Authorized and Issued:
10,000 shares of \$100.00 each... \$1,000,000.00 1000 000
\$2,000,000.00 2000 000

MORTGAGE PAYABLE 5%
maturing in semi-annual instal-
ments from April 1, 1940 and
balance of \$217,875.00 due
October 1, 1947..... 373,500.00 352 750 -

CURRENT LIABILITIES:

Bank Loan.....	\$ 430,000.00	360.000 .
Accounts Payable and Accrued Liabilities.....	102,836.34	
Prepaid Storage and Sundry Credit Balances.....	12,876.58	
Accrued Mortgage Interest.....	6,225.00	5879.17
Provision for Dominion & Pro- vincial Income Taxes.....	15,000.00	
	<u>566,937.92</u>	

RESERVES:

For Contingencies.....	\$ 7,496.77	
For Depreciation of Buildings...	90,000.00	115,000
	<u>97,496.77</u>	

SURPLUS:

As per Statement attached.....	549,787.54
	<u><u>\$3,587,722.23</u></u>

CONTINGENT LIABILITY:

Trade Paper under Discount	\$ 128,317.47
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1941 - 158,178.69

HOLT, RENFREW & COMPANY LIMITED

Statement of Profit and Loss and Surplus for the year ending January 31, 1940

Profit from Operations for the
year ending January 31, 1940,
after deducting Selling, General
and Administration Expenses
but before making provision
for Depreciation, Income Taxes
and the charges listed below..... \$ 150,380.40

DEDUCT:

Mortgage Interest.....	\$ 19,107.32	
Other Interest.....	23,315.22	
		42,422.54
		107,957.86

DEDUCT ALSO:

Depreciation of Shop Furni- ture, Fixtures and Auto- mobiles.....	\$ 19,279.07	
Depreciation of Buildings.....	10,000.00	
		29,279.07
		78,678.79

Provision for Dominion & Pro- vincial Income Taxes.....		15,000.00

Profit for the year.....		63,678.79
Surplus, January 31, 1939		486,108.75
Surplus, January 31, 1940.....		<u>\$ 549,787.54</u>

HOLT, RENFREW & COMPANY LIMITED

Auditors' Report to the Shareholders

We have made an examination of the books and accounts of Holt, Renfrew & Company Limited in Montreal and Winnipeg for the year ending January 31, 1940, and have been furnished with a Balance Sheet and Profit and Loss Account of the Toronto and Quebec Branches certified to by the Chartered Accountants who audited the books of these Branches. We have obtained all the information and explanations which we have required. The operations of the year have been charged with a provision of \$10,000.00 for depreciation of buildings and, on that basis we report that, in our opinion, the above Balance Sheet at January 31, 1940, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company which we have examined and the Certified Accounts of the Branches which were furnished to us.

PRICE, WATERHOUSE & CO.,
Auditors.

MONTREAL, March 6, 1940.

